

The Politics of Aging in the United States

by

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Table 1
Percent of the Population Aged 65+,
2007 and 2030

	<u>2007</u>	<u>2030</u>
Germany	19.8%	28.2%
Italy	19.9	27.9
Australia	13.0	21.3
U.S.	12.5	19.3

Source: *European Demographic Data Sheet, 2008*, and Australian Bureau of Statistics.

Brief Historical Context

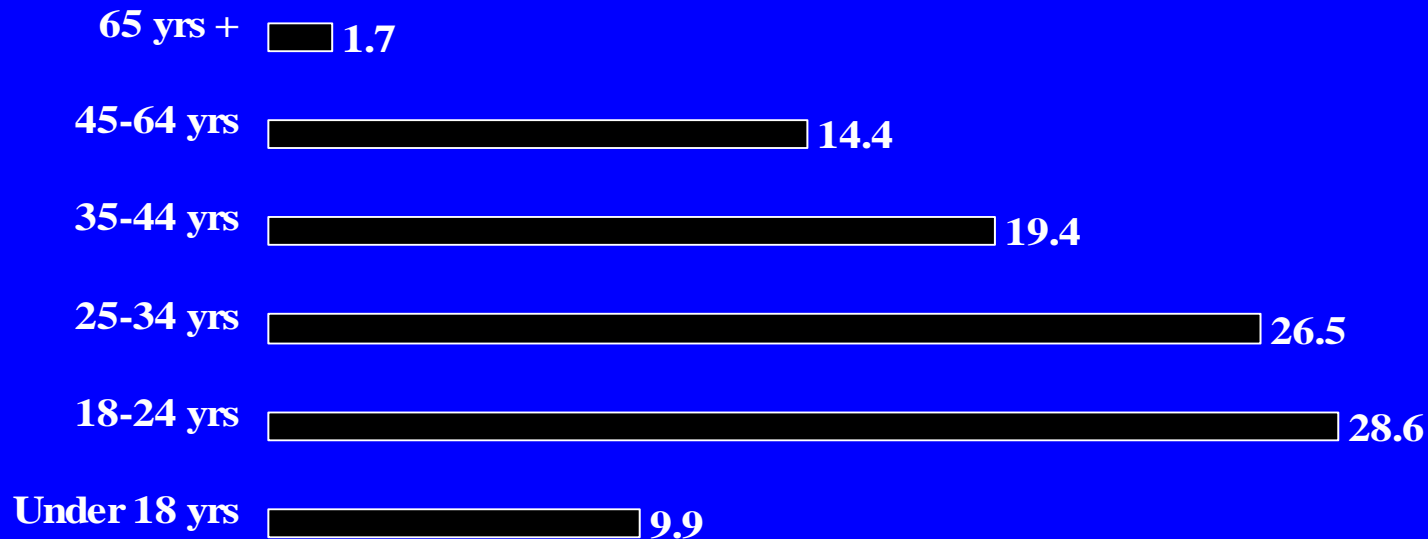
- Most W. European nations had established Social Security for older persons by 1915.
- But, heavily influenced by individualistic & capitalistic liberal philosophies – especially those of John Locke and Adam Smith -- the U.S. waited until 1935 to establish Social Security, as part of a “social democratic” New Deal that probably saved U.S. capitalism in the midst of Great Depression
- Then *compassionate ageism* -- cultural stereotypes of the elderly as poor, frail, powerless, and deserving -- helped create an old-age welfare state in the middle decades of the 20th century

1935-1978: Compassionate Ageism Facilitated Host of Gov. Programs

- Income support (Social Security)
- Government health Insurance (Medicare & Medicaid)
- Help getting jobs; protection from losing jobs
- Public insurance for employer-sponsored pensions
- Nutritional, legal, and supportive services
- Transportation
- Housing, home repair, and energy assistance
- Special mental health programs
- National Institute on Aging

The Impact of Medicare on Access to Care

Percent of U.S. Persons Without Health Insurance, by Age Groups



Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, updated August, 2009.

Some Impacts of Social Security & Medicare

- Poverty among aged reduced from 30% in 1960 to about 10% today
- Enabled older persons and their adult children to live in **separate households**
- Tens of millions have received medical care who wouldn't have had it
- This, together with private pensions were good enough for the term “Golden Years” to emerge in American culture in the 2nd half of 20th century

But old age welfare state has been under attack for quarter of a century

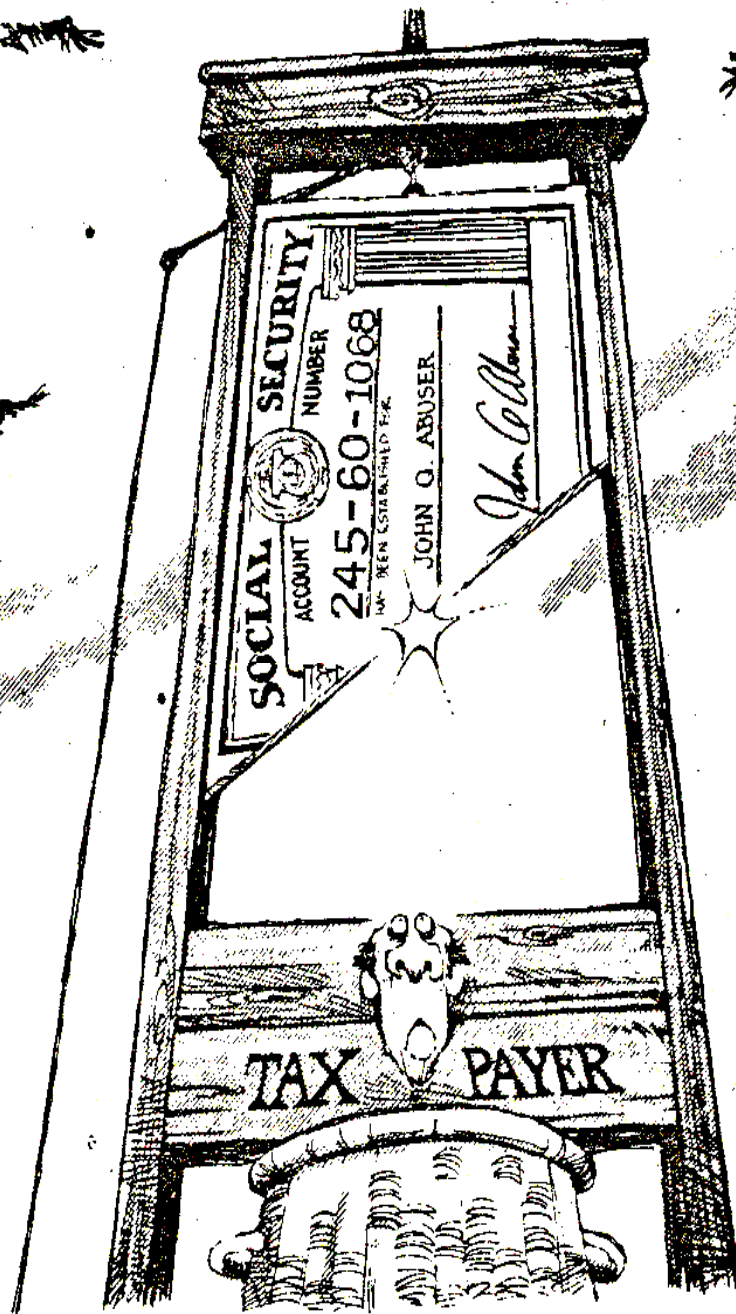
- The compassionate stereotypes of older persons **reversed** when “the graying of the federal budget” was discovered in the late 1970s – about 25% then, over 33% now

Public Policy Ageism Emerged

- *The New Republic*: “Greedy Geezers”
- *Fortune*: “The tyranny of America’s old...is one of the most crucial issues facing U.S. society”

“The Aged” Became a Scapegoat for...

- Children’s inadequate education, health care, and nutrition
- Spiraling health care costs
- Other issues of so-called “intergenerational equity” (really **inequity**)



BENSON

By the 1990s, the Aging of the U.S. Baby Boom Was “Discovered”

- An exceptionally large cohort of 76 million Americans born between 1946 and 1964
- Elderly boomers will double the population eligible for old age benefits

As aging of baby boom drew near, “Merchants of Doom” emerged

- These doomsayers include pundits, politicians, policy analysts, & journalists who are selling dire, but unwarranted scenarios
- e.g., Social Security “will go broke”
- e.g., Health care costs of the elderly are a “great fiscal black hole” that will ruin the nation economically

Selections from the “wisdom” of the Merchants of Doom

- “Seniors suck the marrow from our bones through Social Security.” *Bill Strauss and Neil Howe*
- “Medicine’s triumphant reconstruction of old age has unwittingly created a demographic, economic, and medical **avalanche**, one that could ultimately (and perhaps already) do great harm [sic]....”
Daniel Callahan

Some Merchants of Doom are motivated by ideology

- e.g., George W. Bush at Harvard Business School

Others are motivated by financial incentives

- e.g., 3 quarters of a trillion dollars is annually extracted from private sector by Social Security payroll taxes
- Wall Street would love to get its hands on that through privatization of the program

Underlying This Is an Ageist View of Older Persons' Political Behavior

- Older people as a self-interested political monolith that may successfully press for ever larger government benefits
- The doomsters are gearing up for political battle with oldsters

Peter Peterson, Investment Banker

- “Invincible political titans”
- “Picture retiring boomers with inflated economic expectations and inadequate nest eggs, voting down school budgets, cannibalizing the nation’s infrastructure, and demanding ever-steeper hikes in payroll taxes”

To Fight Older “Titans”, Peterson Has Established a Foundation

- \$1 billion of personal fortune
- One of his specific objectives is “organizing a youthful equivalent to the powerful lobby group for older persons, AARP.” (formerly the American Association of Retired Persons, which has 40 million members)
- In other words, Peterson is dead set on fomenting intergenerational political conflict.

Lester Thurow, noted MIT Economist

- “Universal suffrage is going to meet the ultimate test in the elderly. If democratic governments cannot cut benefits that go to a **majority** of their voters, then they have no long-term future...In the years ahead, class warfare is apt to be redefined as **the young against the old**, rather than the poor against the rich.”

Thurow's Wrong: Not a Majority!

- People 65+ will be only 23% of voting age persons in 2030.

Why This Fear of an Aging Electorate?

- Based on economists' classical model: assuming that elders vote to maximize self-interest in old-age-benefit programs
- Plus the doubling of older voters
- But assumptions that older persons vote as a program-benefits constituency are wrong – up to now
- U.S. older people have been diverse in politics, even as they are in many other social spheres

How, In Fact, Do Seniors Vote?

- Have they responded significantly to campaign rhetoric regarding Social Security and other old-age policies?
- No!
- Like other groups they have been diverse in their political attachments, their economic and social status, race and ethnicity, and many other characteristics that shape their preferences among candidates for office.
- Erroneous journalistic cliché: Touch Social Security and you're politically dead.
- The example of Ronald Reagan, 1980 & 1984

Old Age Issues Not a Factor in 2008 Presidential Election

- It is true that older persons were the only age group to favor the Republican, John McCain.
- He got 51% of the votes from persons aged 60 and older
- But old-age issues were barely mentioned
- One factor in the older vote for McCain was that a particular Republican-leaning birth cohort had entered the ranks of old age.

Table 2. Nationwide Percentage of Votes for U.S. President, 2004, by Selected Age Groups

<u>Age Group</u>	<u>Bush</u>	<u>Kerry</u>
all ages	51	48
65+	52	47
60-64	57	42
45-59	51	48
30-44	53	46
18-29	45	54

Sources: Edison/Mitofsky (2004); Lenski (2005).

Table 3. Nationwide Percentage of Votes for U.S. President, 2008, by Selected Age Groups

<u>Age Groups</u>	<u>McCain</u>	<u>Obama</u>
all ages	46	53
75+	51	46
65-74	54	45
60-64	48	50
45-59	49	49
30-44	46	52
18-29	32	66

Sources: Edison/Mitofsky (2008).

Table 4. Age-Group Responses to “Which Candidate Has the Right Judgment to Make a Good President?”

<u>Age Group</u>	<u>“Only McCain”</u>	<u>“Only Obama”</u>
75+	33%	45%
65-74	47	37
60-64	37	39
50-59	36	43
45-49	44	36
40-44	44	37
30-39	34	44
25-29	26	52
18-24	25	52

Source: Edison/Mitofsky (2008).

Table 5. Age-Group Responses to “Which Candidate Do You Think Has the Experience To Serve Effectively As President?”

<u>Age Group</u>	<u>“Only McCain”</u>	<u>“Only Obama”</u>
75+	45%	34%
65-74	49	27
60-64	42	30
50-59	39	33
45-49	47	27
40-44	46	29
30-39	38	32
25-29	27	36
18-24	30	37

Source: Edison/Mitofsky (2008).

Figure 1
Percent Voting for McCain, 2008,
by Race/Ethnic and Age groups

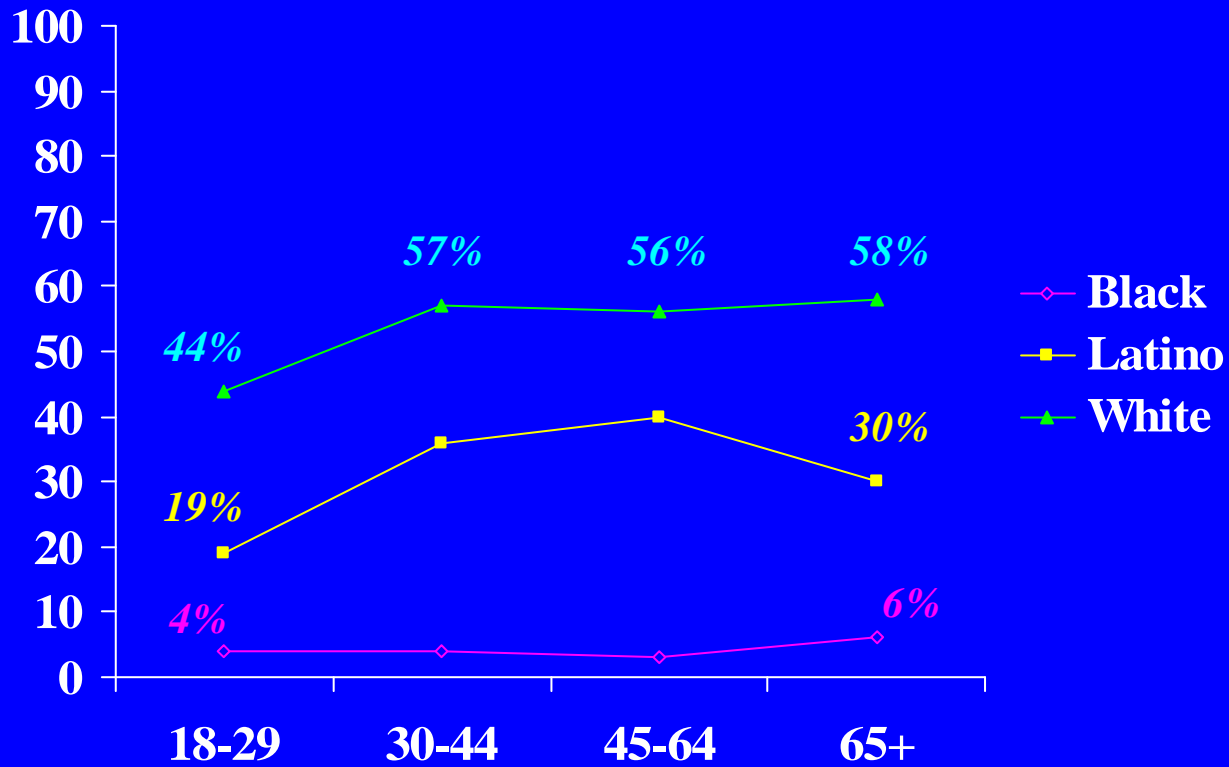
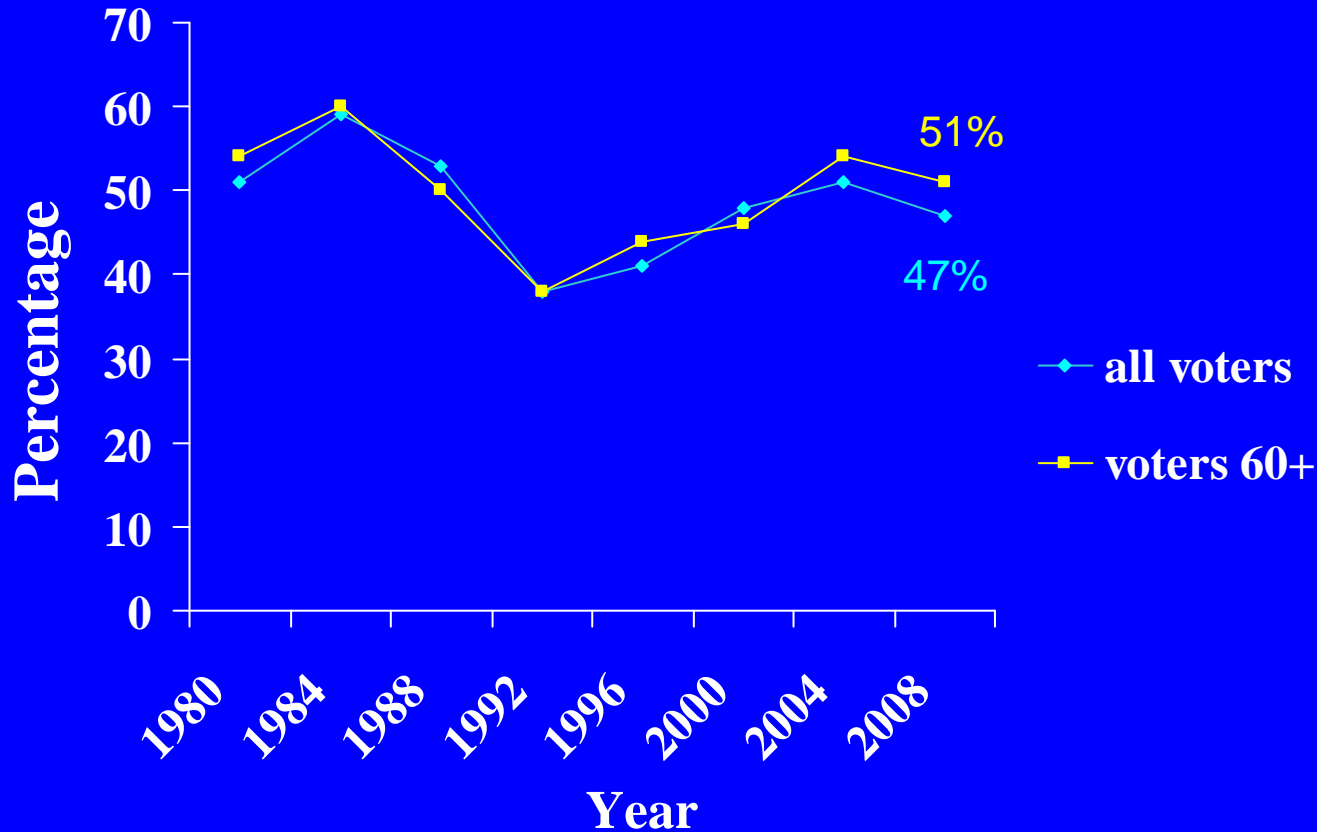
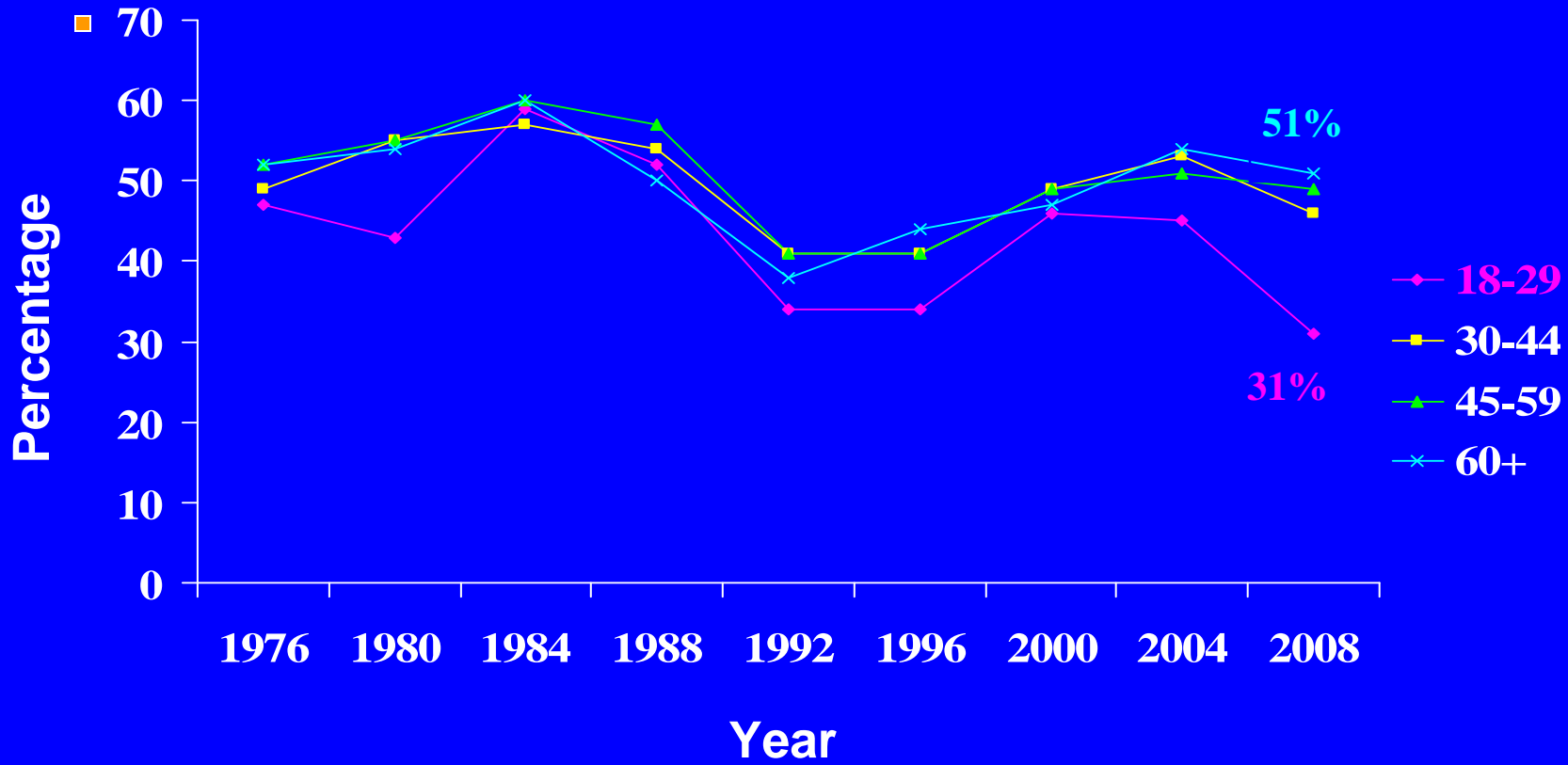


Figure 2
Percent of All Voters and Voters Aged 60+ Voting for Republican Presidential Candidates, 1980-2008



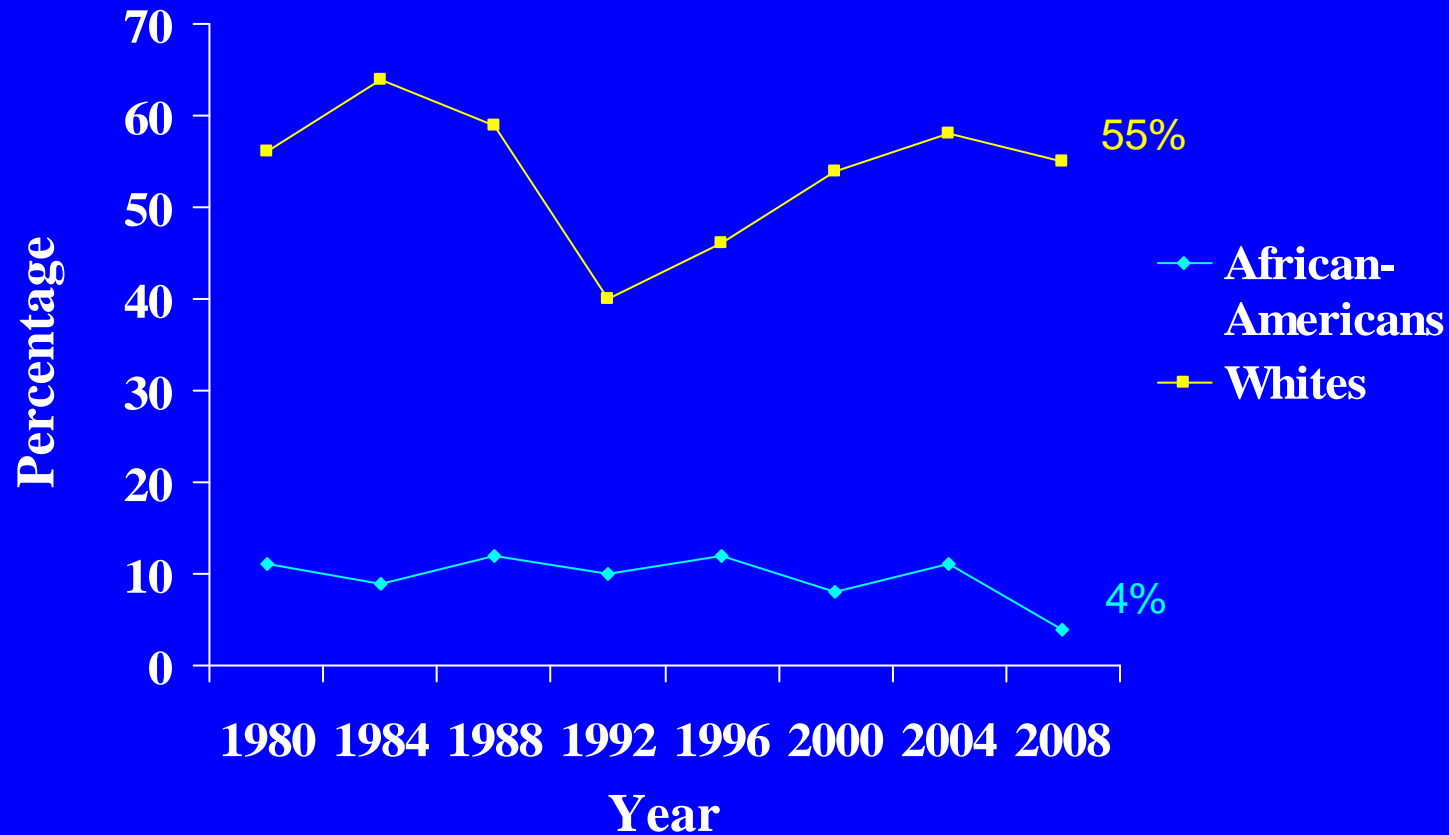
Sources: Connelly, M. (2004). How Americans voted: A political portrait. *New York Times*, Nov. 7, 4wk.; Edison/Mitofsky Exit Polls (2008).

Figure 3
Percent Voting for Republican U.S. Presidential
Candidates, by Age Groups, 1976-2004



Sources: Connelly, M. (2004). How Americans voted: A political portrait. *New York Times*, Nov. 7, 4wk.; Edison/Mitofsky Exit Polls (2008).

Figure 4
Percent of Whites and African-Americans Voting for Republican Presidential Candidates, 1980-2008



Source: New York Times (2008). "Election Results 2008."

Summary of Voting Behavior

- U.S. elders have **NOT** been voting as an old-age-benefits bloc
- Looking ahead -- Boomers, the next cohort of elders, voted 49% vs. 49% in the 2008 election

What About the Political Power of Old-Age-Based Interest Groups?

- There are more than 50 of them -- of many types -
- based in Washington
- Single-issue types such as the Older Women's League or the Alzheimer's Association
- Trade associations of organizations that provide services to older persons
- Professional societies such as the American Geriatrics Society & the Gerontological Society
- And mass-membership organizations of older persons – which have the most potential power

By Far the Most Powerful is the 40-Million-Member AARP

- AARP hasn't been able to “swing” older person's votes
- Yet, it does have some influence in the U.S. legislative process, because members of Congress are wary of having a latent political constituency mobilized against them – “Waking a Sleeping Giant”
- But until fairly recently, AARP's influence has been limited

This Changed with Medicare Prescription Drug Coverage

- Drug coverage not enacted until 2003 when a Republican Congress and President Bush put it forth
- AARP supported the legislation, and journalists wrote that its support was crucial
- Democrats said: “AARP means ‘Always Allied with the Republican Party’”

GOP

OFFICIAL MEMBER

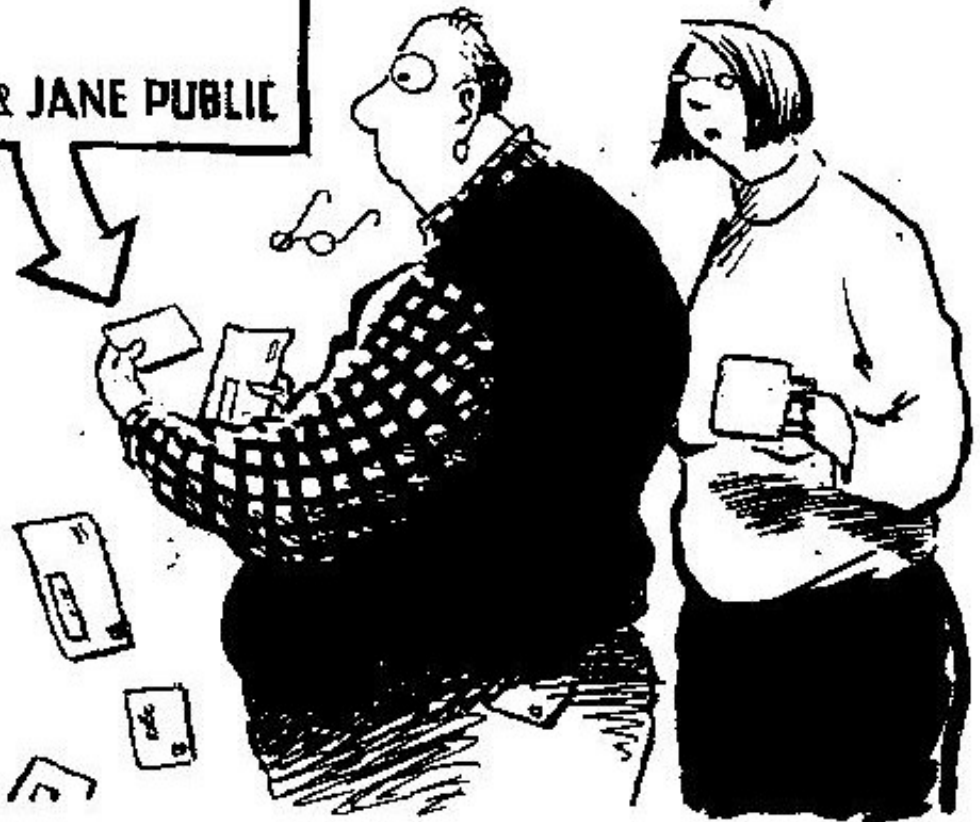
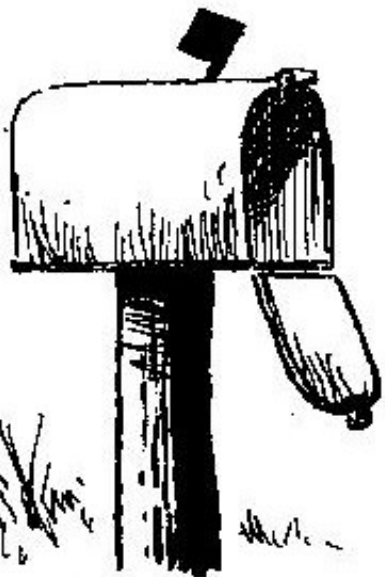
REPUBLICAN PARTY

Guy W. Bush
PRESIDENT OF THE UNITED STATES

Bill Frist
SENATE MAJORITY LEADER

JOHN & JANE PUBLIC

I SEE WE FINALLY GOT OUR AARP CARD...



But It Was Really Pharmaceutical Companies That Were the Driving Force

- Congressman Billy Tauzin & PhaRMA
- Amazingly; the law prohibited Medicare (with 45 million insurees) from bargaining with drug companies on prices
- Also, a large “donut hole” gap in coverage
- AARP vowed to get these changed in years ahead, but nothing has happened yet

Now, in 2009 Health Reform Legislation, Drug Companies Have Pre-emptively Offered to Pay Some “Donut Hole” Costs

- If this actually happens (and I’m skeptical), AARP can claim to its members that it accomplished this
- But again, AARP has not made headway on the restriction against bargaining for lower prices, and the drug companies don’t offer to lower them
- It’s amazing to me that journalists write about AARP being the most powerful lobby in Washington
- Compared with drug companies? Private insurance companies? Banks? Oil companies?

But all of what I've said about old-age voting and limitations on AARP's power could change if the policy and political environments change

- And they may well do so if the present, deficit-ridden fiscal environment does not improve

Radical proposals on Social Security & Medicare might well engender intergenerational conflict

- e.g., Large cutbacks in Social Security benefits
- e.g., old-age-based health care rationing

Present U.S. Health Care Reform Efforts Have Raised the Spectre of Old-Age-Based Rationing

- Much talk that the new costs for insuring the uninsured will come from “savings in Medicare.”
- Widespread, though inaccurate, outrage that the new legislation will have “death panels” to evaluate the need for care of older patients
- Older persons are “running scared” of reform
- Substantial backlash from older voters in 2010 elections is certainly possible
- Consequently, members of Congress are now “running scared” of health reform

SEPTMBER 21, 2009
Newsweek

THE CASE FOR KILLING GRANNY

**CURBING EXCESSIVE END-OF-LIFE CARE
IS GOOD FOR AMERICA**

BY EVAN THOMAS

I WAS A TEENAGE DEATH PANELIST

BY JON MEACHAM

PLUS

**THE WAY OUT OF AFGHANISTAN
BY FAREED ZAKARIA**

**THE ROOTS OF THE NEXT CRASH
BY NIALL FERGUSON**

**OBAMA'S CREDIBILITY GAP
BY GEORGE F. WILL**



Future Politics & Policies of the U.S. Aging Society Will Ultimately Be Shaped By...

- 1. Whether there is **enough national wealth** available to redistribute to older people
- 2. Whether the broader public has the **Political Will** to do so -- In other words, whether the prevailing ideology at the time supports a politics of collectively insuring against social and economic risks in old age

Will Such A
Political Will Materialize?

That Political Will Might Be Strengthened If...

- Public understanding and dialogue about old-age benefit programs is reframed
- If it is broadly understood that older people are not a separate tribe, compartmentalized from their families, communities, & society
- That old-age benefits are not hermetically sealed from the rest of us
- That old-age policies can be understood as **multi-generational family policies** which, in many ways, is what they are

Also, More Public Understanding of Some Possible Effects of Radical Changes

- Far more elderly than today could be financially dependent on their families and local communities, or in institutions
- Because of family financial necessity, we might see the return of 3- & 4-generation households
- Many adult children could be financially devastated by policy changes in federal old-age health insurance that lead them to pay the costs of health care and long-term care for their parents
- And that could, in turn, limit their resources for their own children

Such Public Understandings Might
Moderate a Real Potential
U.S. Intergenerational Tensions &
Political Conflict in the Years Ahead

